

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

LAW DEPARTMENT  
701 COMMERCE STREET  
DALLAS, TEXAS 75202

214-651-6736

WILLIAM A. THIE  
GENERAL COUNSEL  
JOE C. CRAWFORD  
GENERAL SOLICITOR

REC'D  
JUN 5 1977  
FEE OPERATION BR.  
ARTHUR M. ALBIN  
GENERAL ATTORNEY  
MICHAEL E. ROPER  
COMMERCE COUNSEL  
947

IN REPLY REFER TO:

410.043-16-F

RECORDATION NO. ..... Filed & Recorded

June 2, 1977

1977-2 42 PM

Mr. Robert L. Oswald  
Secretary  
Interstate Commerce Commission  
Washington, DC 20423

INTERSTATE COMMERCE COMMISSION

Re: Security Agreement dated May 27, 1977, between Southwestern States Management Co., debtor, and Mercantile Trust Company National Association, secured party, covering 401 hopper cars

Dear Mr. Oswald:

In accordance with the provisions of Section 20c of the Interstate Commerce Act and rules and regulations approved and prescribed by the Interstate Commerce Commission thereto, I am enclosing for filing and recording three counterparts of a Security Agreement (mortgage) dated as of May 27, 1977, by and between Southwestern States Management Co., debtor, 701 Commerce Street, Dallas, TX 75202, and Mercantile Trust Company National Association, secured party, 8th and Locust Street, St. Louis, MO 63166. This Security Agreement pertains to and covers 401 open top and covered hopper cars bearing Missouri-Kansas-Texas Railroad Company standard markings as follows:

16 2000-cubic foot Covered Hopper Cars numbered:

34081, 34082, 34084, 34085, 34087 through 34094, 34095, 34097, 34098, 34100

385 70-ton Open Top Hopper Cars numbered:

36000 through 36130	36155 through 36167	36206 through 36241	36302 through 36319
36132 through 36139	36169 through 36184	36243	36321 through 36379
36141 through 36149	36186 through 36197	36245 through 36257	36381 through 36395
36151 through 36153	36199 through 36204	36259 through 36300	36397 through 36399

I am also enclosing a copy of this letter for your use in stamping the recordation number and date of recording and indication of receipt of the enclosures.

The enclosed Security Agreement accompanies a letter enclosing four car lease agreements (counterparts). Both the Car Lease Agreement and the Security Agreement pertain to the same cars. I do not know whether or not your practice would be to assign the same file number to both documents or whether your practice would be to set up two separate filings. In this letter I am enclosing one Cashier's check in the amount of \$10 and one in the amount of \$50 to cover the proper fee. If one recordation number is used, I presume the charge would be \$10 and you could then return the \$50 check to me. Otherwise, you would assign separate file numbers and return the \$10 check to me.

Mr. Robert L. Oswald

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June 2, 1977

In any event, please return <sup>one</sup> counterpart of the Security Agreement to me along with whichever check is not used.

Your cooperation in this matter certainly will be appreciated.

I certify that I have knowledge of the matters set forth herein.

Sincerely,



Arthur M. Albin

AMA:jar

Enclosures

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

6/6/77


**OFFICE OF THE SECRETARY**

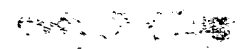
**Arthur M. Albin, Gen. Atty.**  
**Missouri-Kansas-Texas RR. Co.**  
**701 Commerce Street**  
**Dallas, Texas 75202**

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on **6/6/77** at **2:40pm** , and assigned recordation number(s) **8847 & 8848**

Sincerely yours,

  
Robert L. Oswald  
Secretary

Enclosure(s) **I am returning your check for \$10** 

2847

JUN 6 1977 - 2 52 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

KNOW ALL MEN BY THESE PRESENTS THAT:

The undersigned, SOUTHWESTERN STATES MANAGEMENT CO. (herein called "Company") a Missouri corporation of Dallas, Texas, does hereby sell, assign, transfer, convey, mortgage and grant a security interest in the hereinafter described railroad equipment owned by the undersigned to Mercantile Trust Company National Association (herein called "Bank"), a national banking association with its principal office in St. Louis, Missouri. The security interest hereby created, agreed to, and granted by Company is intended to and shall secure the performance of all duties of Company to Bank hereunder and under the terms of a certain Loan Agreement entered into by Company and Bank and dated May 27, 1977, and to further secure the payment of a certain indebtedness of Company to Bank as evidenced by a Promissory Note from Company to Bank dated May 27, 1977, and all extensions, renewals, all future indebtedness, obligations or liabilities of Company to Bank.

(a) The railroad equipment covered by this Security Agreement shall be those hopper cars described in "Exhibit A" attached hereto and made a part hereof by reference.

(b) All parts, equipment and accessories, whether now owned or hereafter acquired, installed on the railroad equipment referred to in subparagraph (a) above.

(c) All additional railroad equipment, parts, accessories and other property of every kind and character which may hereafter be transferred, granted, bargained, sold, conveyed, mortgaged, hypothecated and pledged by the Company to Bank, or in which a security interest may be granted by Company to Bank, in and by any and all chattel mortgages, security agreements or any other instrument or agreement.

(d) All property, whether now owned or hereafter acquired by Company or its assigns, as replacements or substitutions for any of the property described or referred to in subparagraphs (a), (b) and (c) above.

(e) All property, whether now owned or hereafter acquired by Company or its assigns, which may be at any time installed on, attached to or incorporated in any of the property described or referred to in the foregoing subparagraphs (a), (b), (c) or (d), so long as installed or attached.

(f) All tolls, rents, revenues, issues, incomes, profits and products and all estates, rights, titles, interests, and claims whatsoever, at law or equity, which Company now has or now possesses or which Company or its assigns may hereafter become legally or equitably entitled, in or to the property described or referred to in the foregoing subparagraphs (a), (b), (c), or (d).

Company hereby represents and warrants to Bank that (a) Company is a corporation duly organized and validly existing under the laws of the State of Texas, and that Company has full corporate power and authority to borrow money from Bank and to grant to Bank the security interest in the property hereby stated to be granted; (b) Company is the sole and absolute owner of the

above described property free and clear of liens and encumbrances of every kind and nature except only the lien and encumbrance hereby granted and created; (c) Company has signed no financing statements whatsoever mentioning any of the above described property, except only the financing statement signed with respect to this Security Agreement; and (d) the officers of Company executing this Security Agreement have been duly elected and qualified and have been duly authorized and empowered so to execute and deliver this Security Agreement on behalf of Company.

Company shall have the right to possession, control, the use and benefit of the aforescribed property, including use of said cars in interchange to other railroads, subject to the terms hereof, and Company hereby covenants and agrees with Bank that so long as any indebtedness, liability or other obligation shall be owed by Company to Bank under the Promissory Note as aforesaid and any extensions or renewals thereof or any future obligations of Company to Bank, Company will:

1. At all times defend and protect the security interest of Bank under this Security Agreement upon the aforescribed property, including any and all substitutions, replacements, renewals and additions which become part of the aforescribed property, against the enforcement against the aforescribed property of any liens, claims, security interests, penalties and rights asserted by any and all persons whatsoever.

2. Company will from time to time execute or perform or cause to be executed or performed all such acts, conveyances, transfers, instruments and assurances as may be reasonably appropriated to confirm unto Bank all or any part of the aforescribed property, whether now owned or hereafter acquired by Company, or to secure the rights and remedies of the Bank.

3. Company shall at its expense promptly cause this Security Agreement, and any supplements thereto, to be filed and recorded with the Interstate Commerce Commission in accordance with the requirements of the Interstate Commerce Act, and Company shall at its expense promptly from time to time do and perform any and all other acts, to execute, acknowledge, deliver, file, register, record and deposit any and all additional instruments required by law or reasonably requested by Bank for the purpose of proper protection of Bank's interest in the aforescribed property under this Security Agreement or for the purpose of carrying out the intention of this Security Agreement and will further upon completion of any said act, will furnish to Bank a certificate or other evidence of the completion of the same. The determination of such acts as shall be determined necessary shall be the sole discretion of Bank and its counsel.

4. In the event that any unit of the aforescribed property shall be worn out, lost, destroyed or irreparably damaged from any cause whatsoever and there is substituted therefor a replacing unit or units, such unit or units shall be subject to all of the terms and conditions of this Security Agreement as though part of the original aforescribed property hereunder. All such replacements shall be free and clear of all liens and encumbrances and shall be taken initially and shall remain in the name of the Company or such person as Company shall direct, and Company shall execute, acknowledge, deliver, file, register and record all such documents and do any and all such acts as may be necessary to cause such replacements to come under and be subject to this Security Agreement and to protect the interest of the Bank therein. In the alternative, Company shall have the right to pay to Bank a sum of money as determined in Exhibit B attached hereto for each such car that becomes worn out, lost, destroyed, irreparably damaged or disposed of by Company. The amounts so paid shall reduce the principal amount of the indebtedness of Company to Bank by the amount of the payments so made. All cars paid for pursuant to this alternative shall be deemed fully discharged and released from all liens and encumbrances arising under this Security Agreement effective as of date of payment and Bank shall provide an appropriate release to Company covering such cars upon request.

5. Company will maintain the aforescribed property and all additions

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been remedied, to-wit:

1. Non-payment of principal or of interest on the aforesaid Promissory Note, or any addition or renewal of the same or of any future indebtedness or obligation of Company to Bank, as and when the same shall become due, by reason of demand or otherwise, upon expiration of ten (10) days'

the first such publication being at least ten (10) days before such sale and the last such publication being not more than three (3) days before such sale. In the case of a private sale, notice thereof shall be deemed and held to be adequate and reasonable if such notice shall be mailed to Company at its last known address at least ten (10) days before such sale. The enumeration of these methods of notice shall not be deemed or construed to render unreasonable any other method of notice which would otherwise be reasonable under the circumstances

Nothing contained in this Security Agreement shall be deemed or held to impair or limit in any way the enforcement of the terms of any instrument evidencing any indebtedness, liability or other obligation of Company to Bank.

No remedy herein enumerated is intended to be exclusive of any other remedy allowed by law, but each and every remedy shall be cumulative and in addition to every other remedy herein enumerated or allowed by law. No delay or omission to exercise any right or power accruing upon any default hereunder shall impair any such right or power or be construed to be a waiver of any such default or any acquiescence therein.

This Security Agreement and all rights, benefits, powers and obligations hereof shall inure to the benefit and shall bind, respectively, the successors and assignees of Company and Bank.

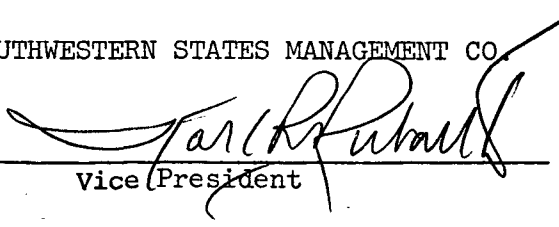
In the event any part or parts of this Security Agreement shall be invalid or unenforceable for any reason, then such invalid or unenforceable parts shall be deemed and held to be separate and severable, and the remainder of this Security Agreement shall continue in full force and effect.

Borrower agrees that this Security Agreement shall be effective upon execution and delivery hereof to Bank, and the same shall remain in full force and effect until terminated, and that it shall not be necessary for Bank to execute any acceptance hereof or otherwise to signify or express its acceptance hereof.

IN WITNESS WHEREOF, Company, SOUTHWESTERN STATES MANAGEMENT, INC., has caused this instrument to be executed in its name and behalf by its duly authorized officers this 27 day of May, 1977.

SOUTHWESTERN STATES MANAGEMENT CO.

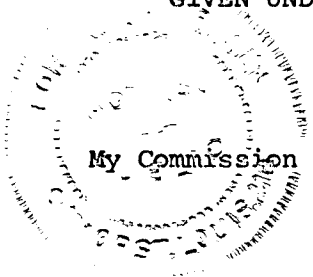
By

  
Vice President

STATE OF MISSOURI )  
 ) SS:  
CITY OF ST. LOUIS )

On this 27 day of May, 1977, before me appeared KARL R. ZIEBARTH, to me personally known, who, being by me duly sworn did say that he is the Vice President of SOUTHWESTERN STATES MANAGEMENT CO., and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said KARL R. ZIEBARTH acknowledged said instrument to be the free act and deed of said corporation.

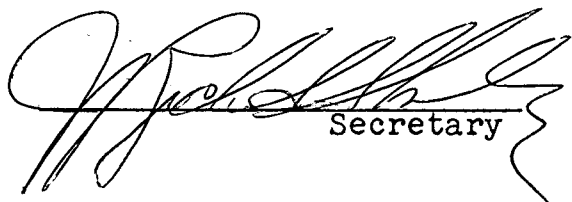
GIVEN UNDER MY HAND AND SEAL OF OFFICE.

 My Commission expires: My Commission Expires 8/13/76

This Security Agreement agreed to and accepted by  
MERCANTILE TRUST COMPANY NATIONAL ASSOCIATION this 27th day  
of May, 1977.

ATTEST:  
(seal)

MERCANTILE TRUST COMPANY  
NATIONAL ASSOCIATION

  
Secretary

By   
Vice President

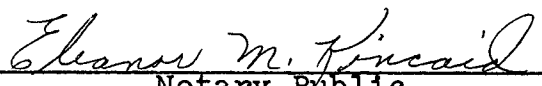
STATE OF MISSOURI }  
CITY OF ST. LOUIS } SS.

On this 27<sup>th</sup> day of May, 1977, before me  
appeared Alban G. Metis, to me personally  
known, who, being by me duly sworn, did say that he is the Vice  
President of Mercantile Trust Company National Association, a  
national banking association, and that the seal affixed to the  
foregoing instrument is the corporate seal of said association,  
and that said instrument was signed and sealed in behalf of  
said association by authority of its Board of Directors; and  
said Alban G. Metis acknowledged said instrument to  
be the free act and deed of said association.

IN TESTIMONY WHEREOF, I have hereunto set my hand  
and affixed my official seal at my office in the City and State  
aforesaid, the day and year first above written.

My term expires SEP 22 1979.

(seal)

  
Notary Public  
ELEANOR M. KINCAID

E X H I B I T    A

Pursuant to attached Security Agreement dated May 27, 1977, Mercantile Trust Company National Association has a security interest in and to the following open top and covered hopper cars bearing MKT reporting marks as follows:

16 2000-Cubic Foot Covered Hopper Cars

34081 and 34082	34095
34084 and 34085	34097 and 34098
34087 through 34094	34100

385 70-Ton Open Top Hopper Cars

36000 through 36130	36206 through 36241
36132 through 36139	36243
36141 through 36149	36245 through 36257
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